

1 Harry M. Snyder, (State Bar No. 35209)  
2 Cy Pres Fund Administrator  
3 1009 General Kennedy Drive  
4 The Presidio  
5 San Francisco, CA 94129  
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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 IN AND FOR THE COUNTY OF SAN FRANCISCO

11 COORDINATION PROCEEDING  
12 SPECIAL TITLE (RULE 1550(b))

Judicial Council Coordination Proceeding  
No. 4076

13 VITAMIN CASES,

Master File No. 301803  
(San Francisco County)

14  
15 This Document Relates To:

**DECLARATION OF HARRY M.  
SNYDER FUND ADMINISTRATOR**

16 ALL ACTIONS

17 Date:  
18 Time:  
19 Dept.: 505  
20 Judge: Hon. John E. Munter

21 I, HARRY M. SNYDER, declare as follows;

22 1. I am a member of the State Bar of California.

23 2. On January 18, 2002, I was appointed by the Court to serve as Cy Pres Fund  
24 Administrator for the Vitamin Cases Consumer Settlement Fund (Fund). My responsibilities  
25 include conducting a due diligence review of proposals to the Fund and presenting my findings  
26 and recommendations to the Attorney General and Co-Liaison counsel in this matter.

27 3. Following my appointment, to facilitate the review process, I wrote to all  
28 applicants and requested that they complete a Common Grant Application Form developed by the

1 National Network of Grantmakers. A copy of a sample Grant Application Form is attached as  
2 Exhibit A. The Application Form consists of four parts, an Application Cover Sheet, Narrative  
3 Instructions, Attachments and Budget Page. The applications were completed and returned to me  
4 by March 29, 2002. During the appeals process, I communicated with applicants to inform them  
5 of the status of the review process and respond to inquiries from applicants.

6 4. I conducted an initial review of the applications and assigned them to one of six  
7 categories based on their primary purpose. In order to assure that sufficient funds would be  
8 available to all categories, after discussion with representatives from the Attorney General and  
9 Plaintiffs' Co-Liaison Counsel, the following tentative allocations were established for each  
10 category:

12	Statewide Food Delivery to the Needy	\$10 million
13	Antitrust Enforcement & Public Policy	\$5 million
14	Nutritional & Health Outreach	\$10 million
15	Food Quality	\$1 million
16	Professional Education & Training	\$4 million
17	Research	\$7 million

18  
19 5. The review process has been organized into three Rounds.

20 (a) Round 1 focuses on applications involving Statewide Food Delivery to the  
21 Needy and Antitrust Enforcement & Public Policy.

22 (b) Round 2 focuses on applications involving Nutritional & Health  
23 Outreach & Advocacy, Professional Education and Food Quality.

24 (c) Round 3 focuses on Research proposals.

25 6. Assisting me in conducting the due diligence process is Carl K. Oshiro. Mr. Oshiro  
26 has been a member of the State Bar of California since 1978 and has served as an Administrative  
27 Law Judge with the California Department of Insurance, Legal Advisor to the President of the  
28 California Public Utilities Commission (CPUC) and Director of Special Projects for the West

1 Coast Regional Office of Consumers Union. In addition, he has served as Public Member and  
2 Chair of the California Telecommunications Education Trust (TET). Created by the CPUC, the  
3 TET made over \$16 million in grants to nonprofit organizations to inform California consumers  
4 about telecommunications services and public policy options.

#### 6 **Status of Round 1**

7 7. For each of the applications in Round 1, we ( Mr. Oshiro and I ) reviewed the  
8 applicant's proposal, IRS Form 990 and Financial Statements for at least two years (except for  
9 one applicant that is essentially a new entity) and supplemental information about the  
10 organization and project for which it is seeking funding. Because nearly two years had passed  
11 since the applicants submitted their applications, we requested that applicants update their  
12 information.

13 8. We conducted a site visit for each applicant and interviewed the key person(s)  
14 responsible for the proposed project. In every case, these site visits were useful in gathering more  
15 information about the applicant, understanding the problem(s) the applicant is seeking to address  
16 and the strategies the applicant is proposing to employ, as well as clarify specific aspects of its  
17 proposal.

18 9. As part of the due diligence process, we also contacted senior program officers with  
19 The California Endowment, California Wellness Foundation and Robert Wood Johnson  
20 Foundation to inquire about past grants that these major funding sources have made to applicants.  
21 We also conducted a *Nexis* search of news articles for the past two years for each applicant. We  
22 also conducted background research reviewing research articles and reports regarding specific  
23 problems and strategies when necessary.

24 10. For each applicant that is a nonprofit organization, we checked with the Secretary of  
25 State, Franchise Tax Board and Charitable Trust Registry to ensure that the organization is in  
26 good standing with these agencies. Nonprofit organizations were also checked against the online  
27 version of Internal Revenue Service Publication 78, a cumulative list of nonprofit organizations  
28 that are qualified to receive tax-deductible contributions.

11. Based on this information, on March 15, 2004, we presented our Report & Recommendations regarding the applications in Round 1 to the Attorney General and Co-Liaison Counsel. Our Report & Recommendations consists of a Cover Memorandum summarizing the due diligence process and recommendations regarding the applications in Round 1. The Report & Recommendations also includes a two to five page Write Up for each application that provides background information about the applicant, financial information, key staff, funding requested and our funding recommendation. I have attached descriptions of the proposals as Exhibit B to this declaration. In summary, based on the information we received in the due diligence process, we recommend that the following grants be awarded in the amounts indicated, for Round 1.

***Nutrition and Meal Services for Low Income Consumers***

- *Boys & Girls Club of Greater San Diego* (\$140,000 to purchase snacks for inner-city youth participating in after-school programs, support for its Teen Cuisine program aimed at providing nutrition information for at risk teens and nutrition education for youth living in rural areas of San Diego County).
- *California Food Bank System* (\$7,213,278 to be distributed to 40 food banks throughout California to purchase trucks, forklifts and other equipment, increase the number of food distribution sites in underserved areas and increase the capacity of food banks to distribute more fresh produce, dairy products and other perishable items to low-income consumers).
- *Friends in Sonoma Helping* (\$50,000 to purchase food—including breakfast foods, baby foods and nutritional supplements for seniors—to be distributed by an all volunteer organization to families and individuals in need in the City of Sonoma and surrounding communities).
- *Friends in Service Here of Santa Rosa* (\$50,000 to purchase food to be distributed by an all volunteer organization to families and individuals in need in the City of Santa Rosa and surrounding communities).
- *Glide Foundation* (\$200,000 to support its Free Meals Program in San Francisco's Tenderloin District).
- *Homeless Care Force* (\$119,800 to support its program which delivers hot meals, clothing and personal care packages to the homeless in Santa Clara County).

***Nutrition, Prescriptions and Meal Services for Seniors***

- *Italian American Community Services Agency* (\$50,000 to subsidize the purchase of prescription drugs and vitamins for seniors experiencing short-term, financial emergencies in San Francisco).
- *Institute on Aging* (\$68,016 to provide lunches to seniors with Alzheimer's Disease in San Francisco).

- *North of Market Senior Services* (\$25,000 to provide breakfasts to low-income seniors in San Francisco).
- *On Lok Day Services* (\$145,000 to provide meals to seniors through its 30<sup>th</sup> Street Dining Room, six congregate dining sites and home delivery to homebound seniors in San Francisco).
- *Senior Meals and Services* (\$240,000 for meals, nutrition counseling and high-nutrient supplements to homebound seniors in Northern Orange County).

#### ***Nutrition and Meal Services for Persons with HIV/AIDS and Other Critical Illnesses***

- *Mama's Kitchen* (\$100,000 to provide home delivered meals, grocery bags and food through a walk-in pantry for clients with HIV/AIDS and their dependent children throughout San Diego County).
- *Project Angel Food* (\$100,000 to support its home delivered meals program serving individuals with HIV/AIDS and other critical illnesses throughout Los Angeles County).
- *Project Open Hand* (\$100,000 to support its home delivered meals program serving individuals with HIV/AIDS and other critical illnesses in San Francisco and Alameda counties).
- *Food for Thought* (\$50,000 to provide food to individuals with HIV/AIDS through weekly delivery of grocery bags and walk-in food bank in Sonoma County).

#### ***Upgrading Kitchen and Dining Facilities Serving Low-Income Consumers***

- *Catholic Charities of Stockton* (\$45,000 to upgrade its Park Village and St. George sites serving meals to low-income children in Stockton).
- *Eastside College Preparatory* (\$500,000 to equip a new kitchen and dining room serving low-income students from East Palo Alto and East Menlo Park).
- *Sacred Heart/St. Dominic Elementary School* (\$100,000 to upgrade its kitchen serving low-income students from San Francisco, Alameda, Contra Costa, San Mateo and Solano counties).
- *San Joaquin County Child Abuse Prevention Center* (\$100,086 to equip a new kitchen for its First Step Children's Center & Crisis Nursery providing emergency childcare in San Joaquin County).
- *Sonoma Valley Hospital* (\$34,190 for basic kitchen equipment, adaptive equipment for patients with physical disabilities and a small amount of kitchen equipment for educational classes to serve patients and families in Sonoma Valley).
- *St. Anthony Foundation* (\$569,630 to equip a new kitchen for St. Anthony's Dining Room serving the poor and homeless in San Francisco).

#### ***Access to Food and Health Care in Fresno and the Central Valley***

- *Fresno Metropolitan Ministry* (\$500,000 over three years to support its work on hunger, nutrition and health care. The project uses monthly roundtable meetings, action teams, research, information, outreach and advocacy to improve access to food, nutrition and health care in the Central Valley.)

#### ***Improving the School Breakfast Program***

- *California Food Policy Advocates* (\$1,000,000 over three years to improve participation and nutritional quality of the School Breakfast Program in California. The project will work to increase the number of schools and students participating in this federally funded program. The project will also urge the adoption of better nutrition standards for the program and monitor compliance in the 50 largest school districts in California.)

#### ***Access to Health Care***

- *Foundation for Taxpayer and Consumer Rights* (\$200,000 over two years to help support its Health Consensus Project. The project works to increase access to health care by developing consensus among stakeholders on universal healthcare models through town hall meetings and coordinated media coverage highlighting common problems and potential solutions.)

#### ***Access to Food Stamps, SSI and Other Benefits***

- *Volunteer Legal Services Program of the Bar Association of San Francisco* (\$80,000 over one year to provide advocacy and information for its homeless clients regarding Food Stamps, Supplementary Security Income and Restaurant Meals Allowance).

#### ***Public Education on Antitrust Laws***

- *American Antitrust Institute* (\$496,800 over two years to produce and distribute a documentary film showing how enforcement of the antitrust laws benefit consumers. The project will also produce and distribute a version for classroom use along with lessons and other materials.)

#### ***Promoting Policies That Support Healthy Eating and Physical Activity***

Recent studies by the U.S. Centers for Disease Control and other government agencies indicate that one of the most serious public health problems is the growing number of children who are obese or overweight. Children who are overweight tend to grow up to be obese or overweight adults and thus at greater risk for a number of serious conditions, including diabetes, heart disease, stroke, high blood pressure and some types of cancer. Several proposals seek to address this problem by developing policies to support healthy eating and physical activity for children in California.

- *California Center for Public Health Advocacy* (\$801,130 over two years, for research, information and technical assistance to community leaders and policymakers in California. The project will study the prevalence of overweight

1 children based on data from the 2003 California Department of Education Physical  
2 Fitness Test correlated with chronic disease data and the kinds of food available to  
3 children in a community. The resulting analysis will provide a basis for state and  
4 local officials and community groups to take action to address the causes of  
5 obesity. The project builds on prior research funded by the Robert Wood Johnson  
6 Foundation and would leverage Vitamin Consumer Settlement Funds with  
7 additional funding from the California Wellness Foundation and The California  
8 Endowment.)

- 9 • *Public Health Institute* (\$200,000 over eighteen months for legal research and  
10 technical assistance to parent associations, public health organizations and  
11 community groups to open school food and beverage contracts to public  
12 inspection, allow for public review and, if necessary, public involvement in  
13 amending or renegotiating the contracts to promote the nutrition and health of  
14 school children. Public access and involvement in these contracts is especially  
15 important because of the enactment of SB 677 (banning the sale of soda and other  
16 unhealthy beverages in elementary and secondary schools) and SB 19 (establishing  
17 statewide nutrition standards).
- 18 • *Strategic Alliance to Prevent Childhood Obesity* (\$200,000 over two years to  
19 coordinate strategy among public health groups working on various aspects of the  
20 issue. The Alliance also serves as a resource bank for individuals and groups  
21 interested in working to prevent childhood obesity.)

22 We believe that funding the above recommended grants, in the amounts indicated, will further the  
23 *cy pres* purposes of the Settlement Fund, "...of improving the health and nutrition of citizens in  
24 California and/or the advancement of nutritional, dietary, or agricultural science, and for  
25 furthering the purpose of the antitrust statute under which this case was brought."

26 12. We have met with representatives of the Attorney General and Co-Liaison Counsel  
27 both in person and by telephone to discuss the due diligence process, our findings and  
28 recommendations and answer questions and provide information on applications. We  
recommend that the Recommendations for Round 1 be adopted.

13 13. In addition the Attorney General, Public Rights Division, is requesting a one-time  
14 grant of \$1 million for the Attorney General's Antitrust litigation fund. If approved, the monies  
15 will be placed in a sub-account (the Vitamin Settlement Special Deposit Fund) and not  
16 commingled with any other funds or accounts. The funds and interest earned will be used to pay  
17 for expert witnesses and legal, economic and technical consultants, purchase equipment and  
18 specialized training to assist the Antitrust Section in the investigation and litigation of antitrust

1 violations initiated by the Attorney General for the benefit of the State of California and it's  
2 citizens. We have reviewed the Attorney General's proposal and it is consistent with  
3 "...furthering the purpose of the antitrust statute under which this case was brought."  
4  
5

6 Funds in the Special Deposit Fund will be used to augment the budget of the Attorney  
7 General's budget and will not supplant or cause any reduction of any portion of the Attorney  
8 General's budget. ( A copy of the Attorney General's proposal describing the fund, it's  
9 organizational structure and administration and supporting materials is attached to the Declaration  
10 of Kathleen Foote as Exhibit B. )

11 14. For each grant application approved by the court in Round 1, we will prepare a  
12 written funding agreement regarding use of the funds by the grantee and processes for monitoring  
13 and accountability during the grant term. After funding agreements have been executed, we will  
14 monitor the funded projects through review of grantee reports, documentation, telephone  
15 conferences and on-site visits, meetings and audits as necessary. The purpose of the funding  
16 agreements and monitoring is to ensure that *cy pres* funds are used in a manner that is consistent  
17 with the Settlement Agreement and any orders of this court. We will prepare summary reports for  
18 the Attorney General, Plaintiffs' Co-Liaison Counsel and the court.  
19

## 20 **Status of Round 2**

21 15. We have completed the due diligence process for the grant applications in Round 2.  
22 For each application, we have reviewed the applicant's proposal, IRS Form 990 and Financial  
23 Statements for at least two years and supplemental information about the organization and project  
24 for which it is seeking funding. Because nearly two years had passed since the applicant's  
25 submitted their applications, we requested that applicants update their information. We  
26 conducted a site visit for each applicant and interviewed the key person(s) responsible for the  
27 proposed project.  
28



1           16. As part of the due diligence process, we also contacted senior program officers with  
2 The California Endowment, California Wellness Foundation and Robert Wood Johnson  
3 Foundation, Price Charities and local governments to inquire about past grants that these major  
4 funding sources have made to applicants. We also conducted a *Nexis* search of news articles for  
5 the past two years for each applicant. We also conducted background research reviewing  
6 research articles and government reports regarding specific problems and strategies when  
7 necessary.

8           17. Based on this information, we presented our Report & Recommendations regarding  
9 the 22 applications in Round 2 to the Attorney General and Co-Liaison Counsel on May 14, 2004.  
10 We have met with representatives of the Attorney General and Co-Liaison Counsel to discuss our  
11 recommendations and respond to questions. Plaintiffs' Executive Committee and the Attorney  
12 General are currently reviewing the Round 2 recommendations.

13           18. Prior to submission to the court for approval, we will check to ensure that each  
14 nonprofit organization is in good standing with the Secretary of State, Franchise Tax Board and  
15 Charitable Trust Registry. Nonprofit organizations will also be checked against the online  
16 version of Internal Revenue Service Publication 78, a cumulative list of nonprofit organizations  
17 that are qualified to receive tax-deductible contributions.

18           19. For each application approved by the court in Round 2, we will prepare a written  
19 funding agreement regarding use of the funds by the grantee and processes for monitoring and  
20 accountability during the grant term. After funding agreements have been executed, we will  
21 monitor the funded projects through review of grantee reports, documentation, telephone  
22 conferences and on-site visits, meetings and audits as necessary. The purpose of the funding  
23 agreements and monitoring is to ensure that *cy pres* funds are used in a manner that is consistent  
24 with the Settlement Agreement and any orders of this court. We will prepare summary reports for  
25 the Attorney General, Plaintiffs' Co-Liaison Counsel and the court.  
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**Vitamin Cases Consumer Settlement Fund  
Application for Funding**

**I. COVER SHEET**

Date \_\_\_\_\_

Organization name \_\_\_\_\_

Address \_\_\_\_\_

Phone no. \_\_\_\_\_ Fax no. \_\_\_\_\_

Director \_\_\_\_\_

Contact person \_\_\_\_\_

E-mail address for contact \_\_\_\_\_

Type of organization (e.g., governmental,  
research, feeding, re-granting, etc.) \_\_\_\_\_

Year founded \_\_\_\_\_

Summarize organization's mission. (2-3 sentences)

Summarize grant request. (2-3 sentences)

Briefly state how your project will improve the health and nutrition of Californians; advance nutrition, dietary, or agricultural science; or further the purpose of California's antitrust laws. (2-3 sentences)

Amount requested

Tax-exempt status

Total project funding requested  
from all sources

Total organizational budget  
(current year)

**EXHIBIT A**

## **II. NARRATIVE (maximum of 5 pages)**

### **A. Introduction and background (Incorporating the following points):**

If you have already submitted this information, please refer to its location in your proposal; you do not need to send another copy.

1. Briefly describe your organization's history and accomplishments.
2. Describe your current programs and activities.
3. Briefly describe the people your organization serves or benefits.
4. If you are a grassroots group, please describe your community. If you are a state, regional or national organization describe your work with local groups and how other regional and/or national organizations are involved.

### **B. Describe your request (Incorporating the following points):**

1. Problem statement: What problems, needs, or issues does your proposal address?
2. If other than general operating support, describe the project for which you seek funding, why you decided to pursue this project, and whether it is a new or ongoing part of your organization.
3. What are the goals, objectives and activities involved in the request? Provide an overview of the specific activities using a timeline.
4. Describe how funding your proposal will improve the health and nutrition of Californians; advance nutrition, dietary, or agricultural science; or further the purpose of California's antitrust laws.
5. Describe with as much detail as possible the people who will be served by your proposed project.
6. If your proposal is funded, do you plan to measure the impact that the funded activities have on participants and/or the broader community? If so, what specific data or other indicators will you track and how often?

*The Application for Funding is modeled after the Common Grant Application developed by the National Network of Grantmakers. The form consists of 4 pages: a cover sheet, narrative instructions, attachments, and budget page. If any pages are missing, please request them from the Fund Administrator.*

### **III. ATTACHMENTS (Please provide the following.)**

#### **A. Organizational Structure/Administration**

1. Your current organizational structure. (If you are a membership organization, what are the criteria for membership?)
2. Who will be involved in carrying out the plans outlined in the request? Please include a resume or profile summarizing the qualifications of the key individuals involved.
3. A list of your board of directors and their relevant experience
4. Documentation indicating that the proposal has the approval of the board of directors (for example, a letter signed by the board chair)

#### **B. Financial Information**

1. Your organization's most recent, completed, full-year financial statement (expenses, revenue and balance sheet), audited if available
2. Your current annual operating budget (See attached budget format.)
3. The total project budget (See attached format.)
4. List individually other funding sources for this request. Include amounts and whether received, committed, or projected/pending.
5. A copy of your organization's IRS 501(c)(3) determination letter.
6. A copy of your organization's most recent IRS Form 990.

#### **C. Other Materials**

1. Your most recent annual report
2. Additional printed materials (reports, newsletters, brochures, news articles, etc.) that may be pertinent to the request. Please be selective.

Please mail two (2) copies of the application to:

**Harry M. Snyder  
137 Oakdale Avenue  
Mill Valley, CA 94941  
415/383-6715**

Faxed or electronically delivered proposals will not be accepted.

*The Application for Funding is modeled after the Common Grant Application developed by the National Network of Grantmakers. The form consists of 4 pages: a cover sheet, narrative instructions, attachments, and budget page. If any pages are missing, please request them from the Fund Administrator.*

#### IV. BUDGET

If you already prepare organizational *and* project budgets that approximate this format, please feel free to submit them in their original forms. You may reproduce this form on your computer and/or submit separate pages for income and expenses.

Budget for the period \_\_\_\_\_ to \_\_\_\_\_

EXPENSES			INCOME	
Item	Amount	FT/PT	Source	Amount
Salaries & wages (Break down by individual position and indicate full- or part-time.)	\$ _____	_____	Government grants & contracts (specify)	\$ _____
	_____	_____		_____
	_____	_____	Foundations (specify)	_____
	_____	_____	Corporations	_____
	_____	_____	Religious institutions	_____
	_____	_____	United Way,	_____
	_____	_____	Combined Federal	_____
Fringe benefits & payroll taxes	_____	_____	Campaign, & other federated campaigns	_____
Consultants & professional fees	_____	_____	Individual contribu- tions	_____
Travel	_____	_____	Fundraising events & products	_____
Equipment	_____	_____		_____
Supplies	_____	_____	Membership income	_____
Training	_____	_____	In-kind support	_____
Printing & copying	_____	_____		_____
Telephone & fax	_____	_____	Other (earned in- come, consulting fees, etc. Please specify.)	_____
Postage & delivery	_____	_____		_____
Rent & utilities	_____	_____		_____
In-kind expenses	_____	_____		_____
Other (specify)	_____	_____		_____
	_____	_____		_____
	_____	_____		_____
<b>TOTAL EXPENSE</b>	<b>\$ _____</b>		<b>TOTAL INCOME</b>	<b>\$ _____</b>
			<b>BALANCE</b>	<b>\$ _____</b>

The Application for Funding is modeled after the Common Grant Application developed by the National Network of Grantmakers. The form consists of 4 pages: a cover sheet, narrative instructions, attachments, and budget page. If any pages are missing, please request them from the Fund Administrator.

## **VITAMIN CASES CONSUMER SETTLEMENT FUND GRANT PROPOSAL CHECKLIST**

This checklist is to help you provide the information required. Please remember to limit the narrative to 5 pages (maximum) and refer to materials you have already submitted as you wish.

- ☐ A completed, signed application cover sheet
- ☐ The project narrative, which should include
  - description of the applicant's organization
    - \_\_\_ history
    - \_\_\_ accomplishments
    - \_\_\_ current programs and activities
    - \_\_\_ clients or beneficiaries
    - \_\_\_ letter of authorization and support for project  
(from board, agency or institution)
    - \_\_\_ list of board of directors and their relevant experience
    - \_\_\_ most recent annual report
    - \_\_\_ selected public information pieces and press clippings
  - ☐ description of project
  - ☐ resumes or profiles and roles for each key project staff member
  - ☐ financial information
    - \_\_\_ organization's most recent, complete, full-year financial statement (expenses, revenues and balance sheet), audited if available
    - \_\_\_ organization's current annual operating budget (See application budget format, page 4.)
    - \_\_\_ organization's IRS 501(c)(3) determination letter
    - \_\_\_ organization's most recent IRS Form 990
    - \_\_\_ total project budget (See application budget format, page 4.)
    - \_\_\_ other funding sources for this project, listed individually
      - \_\_\_ amount requested
      - \_\_\_ amounts committed, received, and projected/pending

**Vitamin Cases Consumer Settlement Fund  
Summary of Grant Application**

**Applicant: American Antitrust Institute  
Washington, D.C.**

Established in 1998, American Antitrust Institute (AAI) is a non-profit organization that engages in research, education and advocacy in support of vigorous competition in our economy. AAI's activities include testimony before Congress, op-eds, articles, research projects and conferences. AAI has an Advisory Board consisting of 64 experts in the field of antitrust law.

**Funding Request**

AAI requests a grant of \$496,800 over two years. The funds would be used to:

***Produce and Distribute a Documentary Film on Antitrust Law.***

AAI will produce a documentary film on the role of antitrust laws in our society. The film will use several case studies to demonstrate the importance of competition in our economy, how anticompetitive behavior harms consumers and how the antitrust laws promote vigorous competition. The case studies will be selected by a panel consisting of:

- Tom Campbell (Dean, Walter A. Haas School of Business, University of California, Berkeley)
- Joseph W. Cotchett (Partner, Cotchett, Pitre, Simon & McCarthy)
- Robert C. Fellmeth (Price Professor of Public Interest Law, University of San Diego, School of Law, San Diego)
- Warren Grimes (Professor, Southwestern University, School of Law, Los Angeles)
- Roger Noll, (Professor of Economics, Stanford University, Palo Alto) and
- Lawrence Sullivan, (Southwestern University, School of Law, Los Angeles)

The film will be approximately 23 minutes long. AAI intends to contract with a documentary film production company to write, shoot and edit the script and assist in distribution. AAI will manage and coordinate the project, provide legal and economic advice on the film's content, participate in script-writing, maintain ultimate editorial and "final-cut" control and participate in the distribution functions. In addition to the Advisory Panel described above, AAI will establish a Project Team consisting of five members to ensure that the product meets high journalistic standard (e.g., reviewing scripts for accuracy, fairness, tone, etc.). To distribute the film, AAI will purchase cable



television time in local markets in California and obtain additional television outlets and other publicity where feasible.

***Re-edit the Film and Produce Teaching Materials for Use in High School Classrooms in California.***

AAI will have the film re-edited for use in high school classes. AAI intends to contract with Street Law (a publisher of legal educational materials aimed at high school students). Street Law will provide advice on how to shape the project for classroom use and develop four lessons that expand on issues in the documentary film. (The lessons will be designed so that they can be used by teachers with little or no antitrust background, easily integrated into classroom settings, specifically developed to fit into 45-50 minute classes, interactive to spur student involvement and identify links to curriculum standards in civics, government and economics to make it easier for teachers to find curriculum connections with their existing materials. Four “teacher consultants”—two law and two economics—will be involved in reviewing and recommending changes to draft lessons.) Street Law will also conduct workshops to showcase the package to teachers and others in the education community in California.

AAI also intends to contract with Constitutional Rights Foundation (CRF), a nonprofit organization in Los Angeles that develops and distributes educational programs about law, government and civic participation to teachers. CRF will publish a special issue of its Bill of Rights in Action newsletter on Antitrust Law and distribute it to California teachers. The newsletter will include the history of antitrust law, leading cases in the field and activities for teachers.

AAI is hopeful that the film other materials will be used in other states but no funding from the Vitamin Cases Consumer Settlement Fund will be used for distribution outside of California.

**Type of Organization:** 501(c)(3), Public Charity.

**Most Recent Financial Information Submitted:** Form 990 for Year Ending December 31, 2002.

**Site Visit:** Conducted on January 15, 2004.

## **Vitamin Cases Consumer Settlement Fund Summary of Grant Application**

**Applicant: Boys & Girls Club of Greater San Diego  
San Diego, California**

Established in 1992, Boys & Girls Club of Greater San Diego (BGC)<sup>1</sup> serves 12,000 boys and girls with a wide variety of programs, activities and services including:

- Before and after-School Care
- Tutoring and homework help
- Performing arts
- Arts and crafts
- Aquatics
- Field Trips
- Day camps
- Technology centers
- Community events

BGC serve youth in more than 11 different communities ranging from rural to suburban to inner-city. Of the children at the clubs, 81% live with parents who are working after school and 52% live in single parent households. BGC provides licensed day care for welfare-to-work families and for low-income working parents. BGC states that for many of the children in its programs, the meals at the clubs are their only complete meals for the day.

### **Funding Request:**

BGC requests a grant of \$140,000 for one year to support its programs and activities as follows:

**Nutrition:** provide a daily snack to 375 low-income youth per day at its four inner-city club branches and two public housing sites for a total of 67,500 snacks.

**Teen Cuisine:** conduct Teen Cuisine classes for 300 youth at its four inner-city club branches. (The classes are part of BGC's Street Safe/Critical Hours after-school program for at-risk middle school age youth. The object of the classes is to teach nutrition, healthy eating, and basic cooking skills including terminology, weights and measures, kitchen safety and sanitation.)

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<sup>1</sup> The organization does business as Boys & Girls Club of Inland North County dba Boys & Girls Clubs of Greater San Diego.

***Nutrition Education:*** have 300 youth from its six North county and rural clubs participate in nutrition education activities such its annual "Five a Day" nutrition awareness poster contest and an interactive "Nutrition Internet Scavenger Hunt."

**Type of Organization:** 501(c)(3), Public Charity.

**Most Recent Financial Information Submitted:** Financial Statement for Fiscal Year Ended June 30, 2003.

**Site Visit:** Conducted on February 2, 2004.

## **Vitamin Cases Consumer Settlement Fund Summary of Grant Application**

**Applicant: San Francisco Food Bank on behalf of California Food Bank System  
San Francisco, California**

San Francisco Food Bank (SFFB) is a non-profit organization that distributes food to low income families and individuals in San Francisco and provides non-perishable groceries, fresh produce, bread and meat to more than 400 non-profit agencies (including senior centers, after-school programs to dining facilities and food pantries). SFFB solicits donations from a number of sources including large manufacturers, supermarket chains, wholesalers, restaurant suppliers, USDA, growers and food drives. It then distributes these food commodities to qualifying public service agencies and neighborhood pantries. SFFB also operates a general distribution facility where approximately 290 member agencies visit the food bank warehouse to select food products for their clients. Agencies are charged a per pound fee to help cover SFFB expenses. Some items are provided free of charge.

### **Funding Request**

SFFB requests a grant of \$7.5 million on to be divided among 40 food banks throughout California. Together, these food banks provide about 230 million meals per year. The food banks would use the funds to:

1. ***Purchase trucks, freezers, forklifts and other warehouse equipment.*** SFFB states that while food banks have access to donated food products, their ability to provide more food to low-income consumers is frequently limited by lack of basic equipment to transport, process, and distribute the food.
2. ***Open new food distribution sites in underserved areas of California.*** Funds would be used to locate new food distribution sites (pantries or meal sites) in local communities, especially in small towns in rural and remote parts of California where many consumers do not have ready access to such sites.
3. ***Increase the availability of fresh foods.*** SFFB states many low-income consumers have limited access to perishable foods because they live in urban neighborhoods without supermarkets or in remote counties with little or no agricultural production. Funds would be used to help food banks cover the additional cost of securing, transporting and handling perishable foods such as fresh fruits, vegetables and dairy products.

Approximately seventy-five percent of the funds would be allocated to the 18 food banks in California that are affiliated with the America's Second Harvest (ASH). These funds would be distributed to ASH food banks according to a widely used measure of population and poverty for the geographic areas served by each food bank. The

following table lists the ASH food banks in California, their service areas and approximate distribution of funding.

**America's Second Harvest Affiliates in California**  
**To receive 75% of grant funds less administrative expenses**  
**allocated as follows:**

<i>Name of Organization</i>	<i>Service Area</i>	<i>Approx. Distribution</i>
Alameda County Community Food Bank	Alameda County	5%
America's Second Harvest Food Bank of San Joaquin and Stanislaus Counties	San Joaquin, Stanislaus, Alpine, Amador, Calaveras, Mariposa, Tuolumne Counties	4%
Community Food Bank	Fresno, Madera Counties	4%
Community Resources Council, Inc.	El Dorado, Nevada, Placer Counties	1%
Food Bank for Monterey County	Monterey County	1%
Food Bank of Contra Costa and Solano	Contra Costa, Solano, Napa Counties	4%
Food Share, Inc.	Kern County, Ventura County	4%
Foodbank of Santa Barbara County	Santa Barbara, San Luis Obispo Counties	2%
Foodlink for Tulare County	Tulare County	3%
Los Angeles Regional Foodbank	Los Angeles County	29%
Redwood Empire Food Bank	Sonoma, Lake, Mendocino, Humboldt, Del Norte Counties	3%
San Diego Food Bank	San Diego County	8%
San Francisco Food Bank	San Francisco County	6%
Second Harvest Food Bank of Orange County	Orange County	7%
Second Harvest Food Bank of Riverside & San Bernardino Co.	Riverside, San Bernardino Counties	7%
Second Harvest Food Bank serving Santa Clara & San Mateo Counties	Santa Clara, San Mateo Counties	5%
Second Harvest Food Bank serving Santa Cruz & San Benito Counties	Santa Cruz, San Benito, Merced Counties	2%
Senior Gleaners	Lassen, Modoc, Mono, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Trinity, Yolo, Yuba Counties	5%
<b>Total</b>		<b>100%</b>

Approximately 25 percent of the funds awarded would be allocated to 22 food banks that are members of the California Association of Food Banks but not affiliated with America's Second Harvest.

### **Members of the Calif. Assn. of Food Banks (Non-ASH Affiliates Only)**

<i>Name of Organization</i>	<i>Counties Served</i>	<i>meals/ yr.</i>
Interfaith Food Bank	Amador County	379,688
Community Action Agency of Butte Co.	Butte County	750,000
Human Resource Council Food Bank	Calaveras County	269,367
Community Assistance Network	Del Norte County	279,844
Food Bank of El Dorado County	El Dorado County	1,015,625
Food for People, Inc.	Humboldt County	1,223,584
Imperial Valley Food Bank	Imperial County	1,015,625
Inyo-Mono Advocates For Community Action	Inyo County, Mono	89,638
Kern County Food Bank	Kern County	3,906,250
Kings Community Action Organization	Kings County	287,624
Lake County Community Action Agency	Lake County	390,625
Madera County Food Bank	Madera County	2,437,500
Marin Community Food Bank	Marin County	1,640,625
Ukiah Community Food Bank	Mendocino County	625,000
Merced Community Action Agency	Merced County	625,000
Napa County Food Bank	Napa County	1,248,677
Community Action Partnership of Orange County	Orange County	11,783,547
Emergency Food Bank of Greater Stockton	San Joaquin County	3,203,125
Food Bank Coalition of San Luis Obispo	San Luis Obispo	3,125,000
Amador/Tuolumne CAA (A-TCAA) Food Bank	Amador, Tuolumne	1,171,875
Food Bank of Yolo County	Yolo County	1,609,375
Westside Food Bank	Western LA County	2,865,502

SFFB states that the association's board will distribute the funds based on food bank size and level of need.<sup>1</sup> Approximately 2% of the funds awarded will be retained by SFFB for serving as fiscal agent and cover administrative expenses over the grant period (accounting, reporting, etc.)

**Type of Organization:** 501(c)(3), Public Charity.

**Most Recent Financial Information Submitted:** Financial Statement for Fiscal Year Ended June 30, 2003.

**Site Visit:** Conducted on January 20, 2004.

<sup>1</sup> As part of the due diligence process, we contacted the California Association of Food Banks and the association supports the grant application including the 75/25 allocation of grant funds between the food bank networks.

## **Vitamin Cases Consumer Settlement Fund Summary of Grant Application**

**Applicant: California Food Policy Advocates  
San Francisco, California**

Established in 1992, California Food Policy Advocates (CFPA) is a nonprofit public policy and advocacy organization that works to improve the health of low-income Californians by increasing their access to nutritious, affordable food. CFPA's activities include:

- Research on the scope and nature of hunger in California and the efficacy of public and private food programs in mitigating it.
- Development and promotion of strategies and programs to meet the nutrition needs of low-income communities and individuals.
- Public education and advocacy to ensure the inclusion of nutrition in the formation and implementation of sound public policy.
- Technical assistance, training and support to low-income communities in their efforts to identify and overcome hunger and hunger-related deficiencies.
- Collaboration, through conferences, communication and coalition building, among food program providers and other community-based organizations throughout California to facilitate their working together to reduce hunger and poverty.

One of CFPA's priorities is improving Federal child nutrition programs (National School Lunch Program, School Breakfast Program, Summer Food Service Program, Child and Adult Care Food Program and Supplemental Food Program for Women, Infants and Children (WIC)). The organization works through local, state and national advocacy to increase access to, expand participation in and improve the nutritional quality of these programs.

### **Funding Request**

CFPA requests \$1,000,000 over three years to increase access, participation, and nutritional quality in the School Breakfast Program in California. CFPA's goal is to maximize the role of this underutilized nutrition program to reduce hunger, food insecurity and poor nutrition among California children.

The School Breakfast Program is a federally assisted meal program operating in public and nonprofit private schools (K-12) and residential child care institutions. Schools that choose to participate in the program receive cash subsidies from USDA for each meal they serve. In return, the schools must serve breakfasts that meet Federal requirements and offer free or reduced price breakfasts to eligible children.<sup>1</sup> The benefits of school

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<sup>1</sup> School breakfasts must meet the applicable recommendations of the Dietary Guidelines for Americans designed to provide a healthy diet by limiting fat and saturated fat. Any child at a participating school may purchase a breakfast through the program. Children from families with incomes below 130% of the Federal poverty level are eligible for free breakfasts, 130% to 185%

breakfasts have been widely documented including improved test scores and attendance among children who participate in the program.

CFPA proposes to engage in policy development, public education and advocacy in the following areas.

### ***Access***

Many children eligible for free or reduced cost breakfasts are not receiving them because their school does not participate in the School Breakfast Program. Nearly 1,400 California schools with over 200,000 low-income children do not participate in the breakfast program at all.

CFPA will advocate for adoption of the School Breakfast Program at the 300 schools without the program that have the largest number of low-income children and, if necessary, seek legislation in the state legislature that would require all schools to participate in the program.

### ***Participation***

More than 1.2 million low-income children at California schools offering breakfasts are not receiving breakfasts because of variety of obstacles (e.g., school busses arrive too late for children to have breakfast, breakfast period does not allow enough time for students to have breakfast, initial opposition to providing universal breakfasts in classrooms, students do not want to be perceived as “poor” by participating in the program, concerns about costs over Federal reimbursements).

Working with local PTAs and other community organizations, CFPA will seek to overcome these obstacles by providing information about and advocating for the adoption of strategies such as:

- ***Universal Classroom Breakfasts.*** Under Provision 2 of the Federal Act that covers school breakfasts, schools have the opportunity to provide breakfast to all children regardless of family income without charge and receive reimbursement from USDA. In addition, offering breakfasts to all students at no charge allows breakfasts to be served in the classroom improving participation dramatically.<sup>2</sup>
- ***Second Chance Breakfast.*** Some schools give students two opportunities to have breakfast.

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of the Federal poverty level are eligible for reduced-price meals, and over 185% of the Federal poverty level pay full price, though meals are still subsidized to some extent.

<sup>2</sup> These changes can reduce the school’s administrative tasks of collecting and processing applications every year and collecting and keeping track of payments from students. Classroom breakfasts also minimize the problem of stigmatizing school breakfasts as being for “poor kids.”



- ***Grab and Go Breakfasts.*** Some schools pack a brown bag breakfast the night before that students can pick up as they enter the classroom or cafeteria the next morning.
- ***Direct Certification.*** California could increase low-income student participation the School Breakfast Program if schools automatically certified all children whose families are enrolled in Food Stamps and CalWORKs. Direct Certification simplifies the process for both families and school officials. Many schools have not adopted Direct Certification because of lack of technical equipment, staff or other resources.

### ***Nutritional Quality***

CFPA states that recent USDA studies show marked improvement in School Breakfast Program nutrition quality but that the program can be improved by (1) enacting nutrition standards covering sugar and sodium and (2) monitoring compliance with all nutritional standards especially in the 50 largest school districts in California. CFPA states that the breakfast program could reach up to 6 million children per day, 180 days per year, making it imperative that the meals provide excellent nutrition.

Much of the above work will be conducted in conjunction with the California Child Nutrition Task Force, formed and staffed by CFPA (consisting of representatives from the California Department of Health Services, California Department of Education, California State Parents Teachers Association, educators, school food service officials, local school districts, food banks and food policy advocacy organizations) to focus on the School Breakfast Program.

CFPA and the Task Force has been instrumental in persuading the Los Angeles Unified School District to adopt a comprehensive nutrition policy that includes introduction of a Second Chance Breakfast program in over 700 schools in the district. Many of these schools already operate under Provision 2 allowing all students at these sites to eat without charge.

**Type of Organization:** 501(c)(3), Public Charity.

**Most Recent Financial Information Submitted:** Financial Statement for Fiscal Year Ended June 30, 2003.

**Site Visit:** Conducted on November 27, 2002.

**Vitamin Cases Consumer Settlement Fund  
Summary of Grant Application**

**Applicant: California Center for Public Health Advocacy  
Davis, California**

Established in 1999 by the Northern and Southern California Public Health Associations, California Center for Public Health Advocacy (CCPHA) is a nonprofit organization that works to raise awareness about public health issues and to mobilize community residents to support effective public health policies. Over the last several years, CCPHA has been one of the leaders in focusing public attention on childhood obesity.

With more than 25% of California children overweight and almost 40% physically unfit, childhood obesity is one of the leading public health problems facing California. Rather than treating the problem solely as a matter of individual responsibility, CCPHA seeks to change the social and environmental conditions that lead children to form unhealthy eating and physical activity habits. One of CCPHA's strengths has been its ability to provide community leaders and policymakers with community-specific information and technical assistance to enable them to make informed decisions about state and local policies that promote healthy eating among California children. CCPHA's activities include:

*Local Advocacy*

Focusing on the school nutrition environment, CCPHA developed facts sheets, local data, and general background information about childhood obesity and organized teams of community residents in Los Angeles County. Working with policymakers, the teams were instrumental in the passage of SB 19 (establishing statewide school nutrition standards), Los Angeles Unified School District's decision in 2002 to ban soda sales and LAUSD's decision in 2003 to ban junk food sales on all school campuses.

*Statewide Policy Briefs*

Funded by the Robert Wood Johnson Foundation, CCPHA developed two sets of Policy Briefs for community leaders and policymakers. The first set of Policy Briefs described the prevalence of overweight and unfit children by state legislative district. The findings were reported in virtually every major newspaper in California and led to the enactment of SB 677 banning the sale of soda and other unhealthy beverages in elementary and middle schools beginning July 2004. CCPHA's second set of Policy Briefs released in March 2004 describes diabetes mortality rates by legislative district and shows a strong correlation between childhood overweight levels and these mortality rates. The Policy Briefs again received wide media coverage.

## **Funding Request**

CCPHA requests a grant of \$801,130 over two years to help fund its California Nutrition Policy Campaign. The campaign consists of the following:

1. **Research.** CCPHA will conduct two new studies quantifying nutrition-related conditions in California communities. Study #1 will describe the prevalence of overweight children based on 2003 California Department of Education Physical Fitness Test data and correlated with previous Policy Briefs on prevalence of overweight children in 2001 and diabetes mortality rates in California communities. Study #2 will study the location of retail food outlets (e.g., grocery stores, convenience stores, restaurants) correlated with findings from previous studies to determine whether there is a correlation between prevalence of overweight children and diabetes mortality rates in a community and the number, kind, and location of retail food outlets. CCPHA states that a preliminary analysis indicates a strong correlation between the density of fast food and convenience outlets and prevalence of childhood overweight.
2. **Policy Development.** CCPHA will establish Scientific Advisory Panels to recommend specific state or local policies to address issues identified in the two studies. The panels will consist of at least six nationally recognized experts with knowledge in areas such as nutrition, physical activity, community-based health promotion and disease prevention, social marketing, health policy and health economics, consumer behavior, public health, biostatistics and epidemiology. The panels will recommend policies to create school and community environments that promote healthy eating choices and reduce the prevalence of childhood obesity. CCPHA formed Scientific Advisory Panels for its two previous Policy Briefs. The panels will also assist in guiding data analysis as well as developing policy recommendations.
3. **Dissemination of Study Findings.** CCPHA will disseminate the findings from the two studies in hardcopy form as Policy Briefs and Fact Sheets and through its interactive mapping website. The findings will be distributed to community leaders, health related organizations, researchers, health professionals, and state and local decision-makers. The organization will also work with media outlets to promote broad coverage of the findings and policy recommendations in the Policy Briefs.
4. **Educational Forums and Technical Assistance.** Following the release of each study, CCPHA will conduct educational forums for at least 100 community leaders in San Diego, Los Angeles, Central Valley, Bay Area and Sacramento to further share its findings and recommendations. The organization will also identify 10 state policymakers and 10 local policy makers interested in establishing nutrition policies and assist them in developing specific measures and strategies to create school and community environments that promote healthy eating and physical activity.

The total budget for CCHPA's campaign is \$1,494,090 over two years. CCPHA requests that the Vitamin Consumer Trust Fund provide funding of \$801,130 or 54%. The rest will come from other sources.

**Type of Organization:** 501(c)(3), Public Charity.

**Most Recent Financial Information Submitted:** Financial Statement for Year Ending December 31, 2003.

**Site Visit:** Conducted on January 15, 2004.

**Vitamin Cases Consumer Settlement Fund  
Summary of Grant Application**

**Applicant:** Catholic Charities of the Diocese of Stockton  
Stockton, California

Founded in 1934, Catholic Charities of the Diocese of Stockton (CC) is a nonprofit corporation that administers various health and human services programs in San Joaquin, Stanislaus, Tuolumne, Mariposa, Calaveras, Amador and Alpine Counties. These programs include a year round hot lunch program at Park Village (an affordable housing apartment complex) that serves from 45 to 80 children per day. CC also operates a ten-week summer lunch program from St. George School that serves about 15,000 lunches per summer to children. The California Department of Education and USDA cover foods costs.

**Funding Request**

CC requests \$104,098 to support its *Making the Right Connections* program, an anti-gang program that included classes in conflict resolution, guest speakers, field trips, multi-cultural art, self-esteem classes, and health and prevention. In particular, CC requests funds for:

- Program Manager, Nutrition Education Component, Expansion of *Making the Right Connections* to reach an additional 100 children (\$68,400).
- Kitchen Upgrades at the Park Village and St. George Sites (\$35,689) consisting of new appliances (e.g., commercial range, oven and dishwasher), new flooring and lighting and related plumbing and electrical expenses. These improvements are needed to continue to provide year-round meals and summer lunches to children served by the organization.

**Type of Organization:** 501(c)(3), Church.

**Most Recent Financial Information Submitted:** Financial Statement for Fiscal Year Ended June 30, 2003.

**Site Visit:** Conducted on March 4, 2004.